

INVESTOR UPDATE AND REPORT

TO: Level Par Investors

August 2006

This is an update and report concerning Level Par Investments, LLC ("Level Par"). Level Par invested in two different investments. The first investment was with The Hubman Foundation and Tim Hubman located in Kansas in the amount of \$1,750,000 (the "Hubman Investment"). The second investment was with William Dippolito, Esq. and Global Financial a/k/a CR Davis (the "Dippolito/Davis Investment") in the amount of \$4,700,000.00. While both investments initially made returns and distributions were made, the investments are not performing at this time and based on all available information it appears the investments were fraudulent schemes. The chance for any return of the principal and distributions from these investments is remote.

Level Par made the Hubman and Dippolito/Davis investment decisions based on written agreements and verbal promises from the principles of the Hubman Foundation, and William Dippolito, Esq. and CR Davis. Hubman and Dipplito/Davis have breached their agreements and committed fraud against Level Par.

Level Par has retained legal counsel and is pursuing all available legal remedies to recover the investments. Suit has already been filed against Hubman and is being prepared against Dippolito/Davis. Level Par and its counsel are cooperating with the United States Securities & Exchange Commission ("SEC"), the Kansas Securities Commission and the Federal Bureau of Investigation ("FBI"), however, Level Par believes that the chance of recovery of any assets against Hubman and Dippolito/Davis is remote at best. Level Par is confident that it will obtain Judgments against the culpable parties, but execution and recovery of assets on the Judgment is unlikely.

As a result of the poor performance of Level Par, Richard W. Weyand has agreed to dilute his stock in Discovery Resources & Development, LLC, a Delaware Limited Liability Company ("DRD") and offer shares of DRD to

the Level Par investors in exchange for their interest in Level Par. DRD is a company involved in the oil and gas industry. The offer will be to exchange one unit of DRD Preferred stock for each \$ 35.00 invested in Level Par. Those investors electing to make the exchange will no longer hold an interest in Level Par. This offer is being reviewed by Level Par's legal counsel and a complete description of the offer and information about DRD will be sent to all investors as soon as it can be completed.

Recently, the SEC requested information and interviews from Level Par's Managers. The SEC's inquiry relates to its civil law suit and investigation of a fraudulent "high yield investment program" or "prime bank" scheme organized by Travis Correll and others (the "Correll Program"). The SEC's suit is pending in the United States District Court for the Eastern District of Texas Sherman Division and is filed as Case No.: 4:05-CV-472. One of Level Par's Managers, Kelly Rogers, invested in the Correll Program. Level Par does not believe that any of its funds were invested in the Correll Program, however, during the SEC interview with Mr. Weyand, the SEC disclosed that Mr. Rogers invested \$200,000.00 in the Correll Program from Rio Grande Mining Company ("Rio Grande") in the last quarter of 2004. Mr. Weyand was unaware of Mr. Rogers' actions and they were not authorized by Mr. Weyand who was a Manager and owner of Rio Grande.

The SEC is also aware that in June of 2005, Mr. Rogers directed William Dippolito, Esq. to transfer \$200,000.00 of Level Par's distribution from the Dippolito/Davis investment to Mr. Rogers' personal bank account. Mr. Rogers was confronted about this transfer to his personal bank account on July 10, 2006 and each day thereafter through July 13, 2006. To date Mr. Rogers has returned only \$100,000.00 of the \$200,000.00 to Level Par. Level Par continues to seek a resolution of this matter with Mr. Rogers.

Kelly Rogers is no longer involved in any decision making for Level Par and has been removed from the Level Par offices in Frisco, Texas. Please direct any questions that you may have concerning Level Par to Andy Haase at 214.618.5800 x 130.

At the request of the SEC, Level Par has provided a list of all investors and their contact information. The SEC may be contacting you concerning these matters. Level Par requests your cooperation with the SEC.